## House Study Bill 503 - Introduced

HOUS	SE FILE
ВУ	(PROPOSED COMMITTEE ON
	HUMAN RESOURCES BILL BY
	CHAIRPERSON MEYER)

## A BILL FOR

- 1 An Act relating to public assistance program fraud.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. NEW SECTION. 239.1 Definitions.
- 2 As used in this chapter, unless the context otherwise
- 3 requires:
- 4 1. "Applicant" means an individual who is applying for
- 5 public assistance benefits in the state.
- 6 2. "Department" means the department of human services.
- 7 3. "Public assistance" means SNAP (the supplemental
- 8 nutrition assistance program), the Medicaid program, FIP (the
- 9 family investment program), and CHIP (the children's health
- 10 insurance program).
- 11 4. "Recipient" means an individual who is receiving public
- 12 assistance benefits in the state.
- 13 Sec. 2. NEW SECTION. 239.2 Referrals for public assistance
- 14 fraud, misrepresentation, or inadequate documentation rules
- 15 reports.
- 16 l. Following a review of a public assistance applicant's
- 17 or recipient's eligibility under this chapter, the department
- 18 shall refer cases of suspected fraud along with any supportive
- 19 information to the department of inspections and appeals for
- 20 review.
- 21 2. In cases of substantiated fraud, upon conviction, the
- 22 state shall review all appropriate legal options including
- 23 but not limited to removal of a recipient from other public
- 24 assistance programs and garnishment of wages or state income
- 25 tax refunds until the department recovers an equal amount of
- 26 benefits fraudulently claimed.
- 27 3. The department shall refer suspected cases of fraud,
- 28 misrepresentation, or inadequate documentation relating to
- 29 initial or continued eligibility to appropriate state agencies,
- 30 divisions, or departments for review of eligibility issues in
- 31 programs providing public benefits other than public assistance
- 32 benefits.
- 33 4. The department of human services shall adopt rules
- 34 pursuant to chapter 17A to administer this chapter.
- 35 5. The department shall submit a report to the governor

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- 1 and the general assembly by January 15, 2024, and by January
- 2 15 annually thereafter through January 15, 2029, detailing the
- 3 impact of the measures taken under this chapter. The report
- 4 shall include data for all affected public assistance programs
- 5 including the number of cases reviewed, the number of cases
- 6 closed, the number of fraud investigation referrals made, and
- 7 the amount of savings and cost avoidance realized from the
- 8 provisions of this chapter.
- 9 Sec. 3. IMPLEMENTATION.
- 10 1. The department of human services shall request federal
- ll approval including for any state plan amendment or waiver
- 12 necessary to administer this Act.
- 2. The provisions of this Act requiring federal approval
- 14 shall be implemented upon receipt of such federal approval.
- 3. The provisions of this Act not requiring federal approval
- 16 shall be implemented no later than July 1, 2023.
- 17 4. The department may contract with multiple third-party
- 18 vendors to administer this Act.
- 19 EXPLANATION
- The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.
- 22 This bill provides that following a review of a public
- 23 assistance applicant's or recipient's eligibility, the
- 24 department of human services (DHS) shall refer cases of
- 25 suspected fraud along with any supportive information to the
- 26 department of inspections and appeals for review. In cases of
- 27 substantiated fraud, upon conviction, the state shall review
- 28 all appropriate legal options including but not limited to
- 29 removal of a recipient from other public assistance programs
- 30 and garnishment of wages or state income tax refunds until DHS
- 31 recovers an equal amount of benefits fraudulently claimed.
- 32 DHS shall refer suspected cases of fraud, misrepresentation,
- 33 or inadequate documentation relating to initial or continued
- 34 eligibility to appropriate state agencies, divisions, or
- 35 departments for review of eligibility issues in other public

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- 1 benefits programs.
- 2 Under the bill, DHS shall adopt administrative rules to
- 3 administer the Code chapter. DHS shall submit a report to the
- 4 governor and the general assembly by January 15, 2024, and
- 5 by January 15 annually thereafter through January 15, 2029,
- 6 detailing the impact of the measures taken under the bill. The
- 7 report shall include data for all affected public assistance
- 8 programs including the number of cases reviewed, the number of
- 9 cases closed, the number of fraud investigation referrals made,
- 10 and the amount of savings and cost avoidance realized from the
- 11 provisions of the bill.
- 12 DHS shall request federal approval including for any state
- 13 plan amendment or waiver necessary to administer the bill, and
- 14 the provisions of the bill requiring federal approval shall
- 15 be implemented upon receipt of such federal approval. The
- 16 provisions of the bill that do not require federal approval
- 17 shall be implemented no later than July 1, 2023. DHS may
- 18 contract with multiple third-party vendors to administer the
- 19 bill.